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UNITED STATES DEPARTMENT OF AGRICULTURE

New Mexico Agricultural
Statistics Service

Weekly Ag Update

Issue 54-12 1-800-530-8810 e-mail: nass-nm@nass.usda.gov March 15, 2004

INCLUDED IN THIS ISSUE

Crop Weather Annual Livestock Slaughter ERS

Available on Internet at: www.nass.usda.gov/nm OR by e-mail (call 1-800-530-8810 for information)

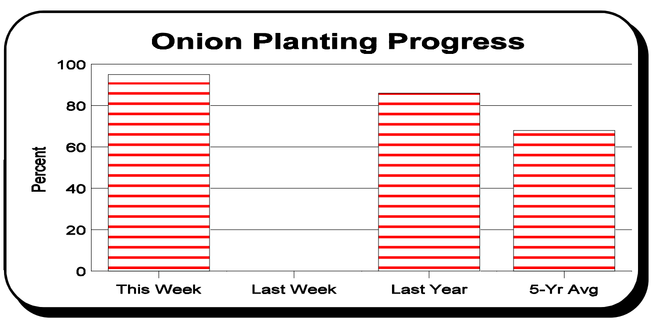
CROP SUMMARY FOR THE WEEK ENDING MARCH 14, 2004

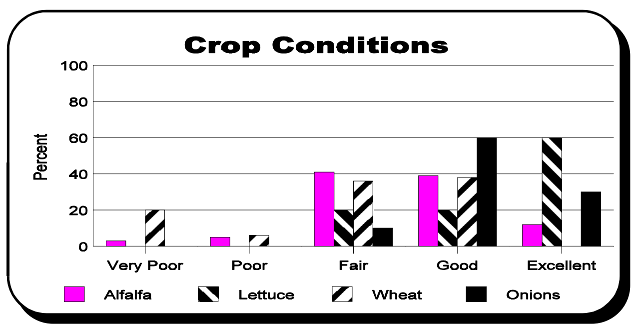
NEW MEXICO: There were 5.0 days suitable for fieldwork. Farmers spent some of the week preparing fields but were held back by the weather. There was slight wind damage at 1% light and 4% moderate to growing crops. Alfalfa conditions were listed at 3% very poor, 5% poor, 41% fair, 39% good, and 12% excellent. Winter wheat conditions were listed as 20% very poor, 6% poor, 36% fair, and 38% good with 23% grazed. Lettuce conditions were 20% fair, 20% good, and 60% excellent and chile was reported to be 2% planted. Onions were 95% planted with conditions listed at 10% fair, 60% good, and 30% excellent. Ranchers spent the week supplemental feeding and for the time being waters are stocked up. Cattle conditions were listed as 1% very poor, 15% poor, 52% fair, 29% good, and 3% excellent. Sheep conditions were 2% very poor, 26% poor, 37% fair, 31% good, and 4% excellent. Range and pasture conditions were 44% very poor, 37% poor, 18% fair, and 1% good.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Planted	2	1/	23	9
ONIONS	Planted	95	1/	86	68
WHEAT (All)	Grazed	23	1/	1/	1/

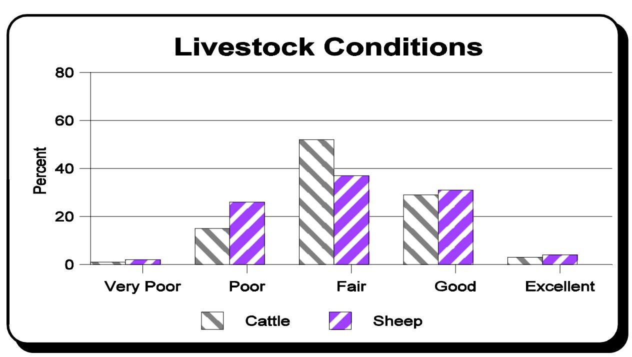
1/ Not available





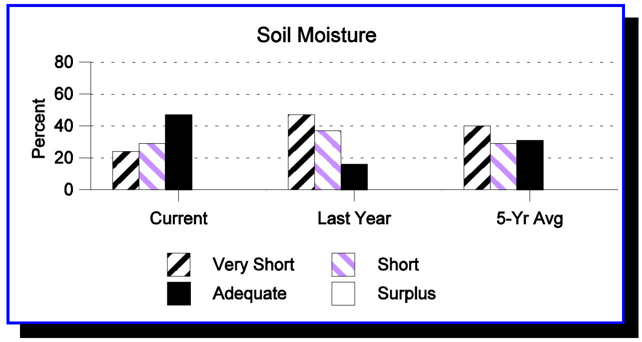
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	3	5	41	39	12
Lettuce	–	–	20	20	60
Onions	–	–	10	60	30
Wheat (All)	20	6	36	38	--
Cattle	1	15	52	29	3
Sheep	2	26	37	31	4
Range/Pasture	44	37	18	1	--



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	7	24	68	1
Northeast	19	49	32	--
Southwest	100	–	–	--
Southeast	25	13	62	--
State	24	29	47	--
State-Last Year	47	37	16	0
State-5-Yr Avg.	40	29	31	0



WEATHER SUMMARY

Spring-like weather prevailed over New Mexico during the week, with temperatures generally 5 to 10 degrees above normal in the north, and a few degrees above normal in the south. The southeast corner was the only area with normal to slightly below normal temperatures. A mid to late week storm brought some significant rainfall to the southern counties, especially the extreme south. Greatest totals included 1.10" at Carlsbad, .89" at Tatum, .76" at Las Cruces, and .73" at Animas.

NEW MEXICO WEATHER CONDITIONS MARCH 8 - 14, 2004

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	03/08 03/14	03/01 03/14	Normal Mar	01/01 03/14	Normal Jan-Mar
Carlsbad	51.9	75	37	1.10	1.66	0.30	2.64	1.00
Tatum	47.9	74	32	0.89	1.16	0.52	3.47	1.41
Roswell	51.8	75	35	0.01	0.15	0.45	0.67	1.34
Clayton	49.0	74	26	0.00	0.63	0.55	0.77	1.10
Clovis	51.1	73	34	0.48	1.15	0.59	2.58	1.49
Tucumcari	50.2	74	31	0.19	0.74	0.40	1.48	1.13
Chama	38.1	63	13	0.00	0.11	1.99	2.09	5.34
Johnson Ranch	44.2	65	24	0.00	0.29	0.74	1.34	1.98
Capulin	41.4	62	21	0.00	0.47	0.89	1.17	1.85
Las Vegas	42.1	64	27	0.13	0.38	0.56	0.70	1.27
Los Alamos	42.8	58	29	0.00	0.84	1.22	3.69	2.88
Raton	43.1	70	21	T	0.18	0.83	1.01	1.84
Santa Fe	44.2	67	27	T	0.49	0.74	0.93	2.06
Red River	36.4	56	15	0.04	0.65	1.78	3.11	4.07
Farmington	50.4	71	27	0.00	0.05	0.81	1.12	1.97
Gallup	45.8	70	23	0.19	0.37	1.05	0.87	2.59
Grants	45.0	69	24	0.00	0.13	0.50	0.52	1.50
Silver City	48.6	70	27	0.27	1.14	0.96	2.53	3.37
Quemado	46.9	70	22	0.00	0.28	0.80	1.30	2.35
Albuquerque	52.9	70	38	T	0.63	0.54	1.81	1.44
Carrizozo	49.8	73	33	0.08	0.32	0.57	1.06	1.74
Gran Quivera	46.5	69	31	0.15	0.15	0.72	0.80	2.24
Moriarty	46.3	70	24	0.02	0.77	0.53	1.78	1.44
Ruidoso	43.3	67	22	0.09	0.09	1.33	1.21	3.61
Socorro	55.2	75	30	0.00	0.00	0.27	0.29	1.05
Alamogordo	54.5	76	40	0.44	1.07	0.46	1.70	1.67
Animas	56.3	81	40	0.73	1.31	0.47	2.47	1.66
Deming	54.4	78	37	0.44	0.96	0.34	1.64	1.36
T or C	55.3	75	40	0.11	0.49	0.34	0.52	1.18
Las Cruces	55.3	78	41	0.76	1.20	0.22	1.20	1.05

(T) Trace (-) No Report (*) Correction
All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

ANNUAL LIVESTOCK SLAUGHTER

NEW MEXICO: Commercial cattle slaughter in New Mexico totaled 25,100 head compared to 20,400 head in 2002. The average live weight in 2003 was 919 pounds, up 12 pounds from 2002. Total live weight increased to 23,107 pounds from the previous year's total of 18,475 pounds. Commercial hog slaughter totaled 2,600 head with average live weight remaining steady at 212 pounds and total live weight dropping to 547 pounds from 599 pounds in 2002. Commercial sheep and lamb slaughter totaled 24,700 head compared to 32,100 head with average live weight dropping to 104 pounds from the previous year's 112 pounds. Total live weight decreased by 1,010 pounds to 2,567.

UNITED STATES: Commercial cattle slaughter during 2003 totaled 35.5 million head, down 1 percent from 2002, with federal inspection comprising 98.3 percent of the total. The average live weight was 1,231 pounds, down 20 pounds from a year ago. **Commercial hog** slaughter totaled 100.9 million head, up 1 percent from 2002 with 98.8 percent of the hogs slaughtered under federal inspection. The average live weight was up 1 pound from last year, at 266 pounds. Barrows and gilts comprised 96.5 percent of the total federally inspected slaughter. **Commercial sheep and lamb slaughter**, at 2.98 million head, was down 9 percent from 2002 with 94.2 percent comprised by federal inspection. The average live weight was up 1 pound from 2002 to 134 pounds.

Commercial Livestock Slaughter, New Mexico and U.S., 2002-2003 [1/]

	New Mexico						United States					
	Number Slaughtered		Total Live weight		Average Live weight		Number Slaughtered		Total Live weight		Average Live weight	
	'02	'03	'02	'03	'02	'03	'02	'03	'02	'03	'02	'03
	1,000 Head		1,000 Pounds		Pounds		1,000 Head		1,000 Pounds		Pounds	
Cattle	20.4	25.1	18,475	23,107	907	919	35,734.6	35,493.4	44,687,867	43,704,742	1,251	1,231
Calves [2/]	---	---	---	---	---	---	1,045.4	1,000.8	325,678	317,892	312	318
Hogs	2.8	2.6	599	547	212	212	100,262.6	100,930.7	26,561,446	26,875,745	265	266
Sheep/Lambs	32.1	24.7	3,577	2,567	112	104	3,286.3	2,978.8	437,727	398,565	133	134

[1/] Includes slaughter under Federal Inspection and other commercial slaughter, excludes farm slaughter. [2/] State data included in U.S. total. Data not published to avoid disclosing individual operations.

LIVESTOCK, DAIRY, AND POULTRY OUTLOOK

USDA, ERS, FEBRUARY 17, 2004

Cattle Cycle Liquidation Phase Extended: There is little indication that the cattle industry will begin the move toward female retention in 2004, following on the heels of the eighth year of herd liquidation in this cattle cycle. Although moisture conditions have improved somewhat this winter, forage conditions remain very uncertain for the 2004 grazing season. Price direction since Bovine Spongiform Encephalapathy (BSE) was confirmed in a dairy cow in Washington State on December 23 has been erratic, but somewhat predictable particularly as the export markets were cut off. Initially cattle/beef prices declined sharply, but once the markets realized that domestic consumer reaction was muted and consumer beef demand remained relatively strong, endusers moved to replenish the meat pipeline that was drawn down over the holidays. This replenishing, was possibly a bit more hesitant than usual but occurred through mid- to late-January, resulting in strengthening prices. However, once the pipeline was replenished and export beef began to be assimilated into the market, prices declined. Even with improved forage conditions and the smallest cattle inventory since 1959, the present environment of uncertainty may not be very conducive to herd expansion.

Feed Costs Rise: Declining feed grain stocks and strong domestic and export demand is resulting in higher feed costs. This rise in feed costs will put additional pressure on cattle feeders due to high prices paid for feeder cattle placements last fall, many of which won't be marketed until this spring and early summer. The farm price of corn in 2003/04 is expected to range from $2.35 to $2.55 a bushel, up from $2.15 to $2.45 in January and potentially the highest price since the mid-1990s. Similarly soybean meal price ranges have been raised to $230 to $250 a ton, up $5 a ton from January, and potentially the highest price since the mid-1990s. Uncertainties about meat meal use and production have helped support plant protein prices.

Hay Stocks Rise, Other Hay Prices Remain Strong: Hay stocks on December 1, 2003, were up nearly 7 percent from a year earlier, the largest December 1 stocks since 1998. Cattle inventories are down 5 percent since 1998, removing some pressure on hay stocks, but poor forage conditions going into winter and increased snow

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NEW MEXICO AGRICULTURAL STATISTICS
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cover are increasing supplemental feeding in many areas. Weather conditions and supplemental feeding needs will be the key to prices on other hay over the next couple of months. The farm price of other hays in January averaged $71.40 a ton, down from $78.10 a year earlier, but up from $66.90 in December. Alfalfa hay averaged $83.60 a ton in January, down from $98.50 a year ago, and also down from $87.90 in December. Hay quality has been an issue, particularly for other hays, and the prices are likely sending mixed signals of fairly strong demand, but poorer quality hay.

Cattle Inventory Decline Continues: The number of cattle and calves on farms and ranches on January 1, 2004, was down 1 percent from a year earlier and down over 8 percent from the cyclical peak on January 1, 1996. Last year marked the eighth year of herd liquidation, there is no hint of movement toward increased female retention. Beef cow inventories were down only modestly, while dairy cow inventories were down nearly 2 percent. Beef and dairy heifers being retained for possible herd expansion were both down about 2 percent. The number of replacement heifers expected to calve this year declined somewhat more sharply, with beef heifers expected to calve down 2 percent and dairy heifers expected to calve down 4 percent. During 2003, beef cow slaughter rose over 2 percent, to the largest level since 1998, while dairy cow slaughter rose over 9 percent to the largest level since 1997. Overall, the supplies of cattle continue to be constricted; and
once female retention begins, beef production will decline even more sharply. At the present time, the reduced production potential will help the industry adjust to bans on beef exports. Beef production plus the export beef being absorbed domestically will result in domestic supplies rising to near 2002 levels, with trade levels being very uncertain. Global beef trade will adjust as prices rise in countries that formerly imported U.S. beef and potentially pull in products from countries that otherwise would be shipped to the United States. The problem is that the United States exports high quality fed beef, and imports lower quality grassfed processing beef. For many enduses, even short-fed beef is a fairly poor substitute.

BSE-Related Trade Bans Continue To Effect U.S. Beef Trade: After hitting a record 2.57 billion pounds in 2003, beef exports may reach only 220,000 pounds in 2004 if bans currently in place remain for the entire year. Significantly reduced exports are likely in 2004 because all major markets except Canada have banned U.S. beef and live animal imports after discovery of a cow with BSE in Washington State on December 23, 2003. Since the date of their removal is unknown, those bans are treated as remaining in place for the entirety of 2004 for the purpose of forecasting trade.

World and Domestic Poultry Markets Roiled By Disease Outbreaks: The outlook for world and domestic poultry markets continues to be in a state of upheaval due to outbreaks of Avian Influenza in Asia and the United States. High Pathogenic Avian Influenza (HPAI) has been reported in a number of Asian countries, including China and Thailand, two of the world's top poultry producers and exporters. Making the outbreak even more serious is that the strain of HPAI reported in a number of the Asian countries is one that can be transmitted from chickens to people through close contact. After the outbreaks were confirmed, many nations placed bans on the importation of all poultry and poultry products from the infected countries. The United States and Brazil are expected to benefit from increased access to these markets. However, U.S. gains may be limited by price competition for certain products in these markets.